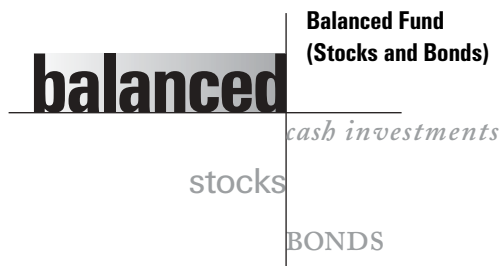


Vanguard®

Target Retirement Income Fund



Investment Objective

Vanguard Target Retirement Income Fund seeks to provide current income and some capital appreciation.

Investment Strategy

Vanguard Target Retirement Income Fund invests in other Vanguard® mutual funds according to an asset allocation strategy designed for investors currently in retirement. The percentages of the fund's assets allocated to each of the funds are: Vanguard® Total Bond Market Index Fund, 50%; Vanguard® Inflation-Protected Securities Fund, 25%; Vanguard® Total Stock Market Index Fund, 20%; and Vanguard® Prime Money Market Fund, 5%.

The fund's indirect bond holdings are a diversified mix of short-, intermediate-, and long-term investment-grade, taxable U.S. government, U.S. agency, and corporate bonds; inflation-indexed bonds issued by the U.S. government; and mortgage-backed securities. The indirect stock holdings consist substantially of large-capitalization U.S. stocks and, to a lesser extent, of mid- and small-cap U.S. stocks.

The fund's indirect money market holdings consist of high-quality, short-term money market instruments.

See reverse side for Fund Profile.

Who Should Invest

- Investors seeking a high level of income.
- Investors seeking a simple way to achieve a broadly diversified holding of stocks and fixed income investments.
- Investors with an intermediate-term investment horizon (at least three to five years).

Who Should Not Invest

- Investors seeking significant growth of capital.
- Investors unwilling to accept fluctuations in share price.
- Investors expecting a guaranteed sum or level of income.

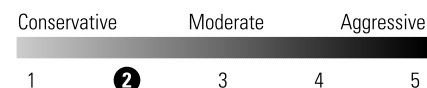
Assets: \$46,536,909

Expenses: 0.22%*

Ticker Symbol: VTINX

Inception: October 27, 2003

Overall Risk Level:



Total Returns

Since historical performance is limited, total returns are currently unavailable.

*Estimated average weighted expense ratio, based on expenses incurred by Vanguard funds in each Vanguard Target Retirement Fund.

Vanguard

Target Retirement Income Fund

Fund Profile

Target Allocation of Underlying Vanguard Funds*

Vanguard® Total Bond Market Index Fund	50.0%
Vanguard® Inflation-Protected Securities Fund	25.0
Vanguard® Total Stock Market Index Fund	20.0
Vanguard® Prime Money Market Fund	5.0

*Fund holdings are subject to change.

A Few Words About Risk

When investing in balanced funds, short-term losses (or gains) are common, largely as a result of sudden movements in the prices of stocks and bonds as interest rates fluctuate and economic conditions change. However, over extended periods the market's ups have tended to outweigh its downs. There is no guarantee this will continue. Usually, the longer you hold your investments, the lower your chances of losing money.

Also, because stock and bond prices often (but not always) move in opposite directions, a fund that holds both stocks and bonds can help to lessen its volatility.

Balanced fund investors should also consider credit risk, the possibility that a

Overall Risk Level:



bond issuer may be unable to make timely payments of interest or principal. Bonds issued by the U.S. government and its agencies carry the highest level of credit protection.

One final risk to consider is inflation risk, the possibility that, over time, the returns on an investment will fail to keep up with the rising cost of living. For example, a 4% rate of inflation reduces a 6% return to a 2% real return.

Investment Terms

Bond: An investment in which you lend money to a company, a government, or a government agency. The bond issuer agrees to pay back the loan by a certain date and to pay interest during that period.

Dividends: Payments made by companies to investors in their stock. The payments typically depend on economic conditions and the company's financial health.

Expenses: The costs of running a fund, expressed as a percentage of the fund's assets. For example, a fund may have expenses that total 0.30% (less than half of 1%) of its assets.

Interest: Payments made by a company, a government, or a government agency to investors who lend them money. For example, an investor buys a bond from a company, which agrees to pay back the loan by a certain date at a set rate.

Market Risk: The chance that the value of an investment will change because of rising (or falling) stock or bond prices.

Mutual Fund: An investment company that combines the money of thousands of people and invests it in a number of securities (stocks, bonds, short-term reserves) to achieve a specific objective over time.

Short-Term Reserves: Investments in which you lend money for short periods to banks, governments, or insurance companies, which pay you interest in return. Examples: bank deposits, certificates of deposit, U.S. Treasury bills.

Total Return: The change in the value of an investment, plus any income from interest or dividends. The standard measure of a mutual fund's performance.

The Vanguard Group and *Vanguard* are trademarks of The Vanguard Group, Inc. All other marks are the exclusive property of their respective owners.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in the fund.

Performance figures include the reinvestment of all dividends and any capital gains distribution. All returns are net of expenses. Return figures reflect past performance, which is no guarantee of future results. The investment return and principal value will fluctuate. An investor's shares, when redeemed, may be worth more or less than the original cost.

Vanguard funds are offered by prospectus only. Prospectuses contain more complete information on risks, advisory fees, distribution charges, and other expenses and should be read carefully before you invest or send money. Prospectuses can be obtained directly by writing to The Vanguard Group, P.O. Box 2900, Valley Forge, PA 19482-2900; calling 1-800-523-1188; or visiting www.vanguard.com.